GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:5010
ANSWERED ON:10.05.2007
SALE PRICE OF LPG
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether L.P.G. produced in the private sector is sold to the public sector oil companies;

(b) if so, whether the sale price is not determined on the basis of international market price;

(c) if so, the basis laid down for its price determination: and

(d) the average sale price thereof during 2006-07 alongwith the price thereof in comparison to the international market price?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

(a) Yes, Sir. PSU oil companies purchase LPG produced in private sector refineries for sale to domestic consumers.

(b)&(c) The sale price is determined on import parity price, based on international prices as formulated in the `PDS kerosene and Domestic LPG Subsidy Scheme, 2002`. The major elements included in price are FOB cost, premium/ discount, ocean freight, insurance, ocean losses, wharfage and port charges. The price paid for LPG to all refineries including private sector refineries is determined by the same formula.

(d) The average purchase price during 2006-07 of LPG from private sector refineries at Jamnagar Port was Rs.24,313 per MT. The average FOB price in international market of LPG was $499.43 per MT.
x-x-x-x-x-x-x